

HOUSE BILL 941

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2004 Regular Session  
4r2401  
CF 4r2642

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By: **Delegates Harrison, Kirk, and Krysiak**  
Introduced and read first time: February 11, 2004  
Assigned to: Economic Matters

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: April 3, 2004

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Insurance - Premium Financing - Electronic Payment Fee**

3 FOR the purpose of requiring a premium finance agreement to include a certain  
4 disclosure under certain circumstances; authorizing a premium finance  
5 agreement to require the insured to pay an electronic payment fee if the insured  
6 elects to pay the premium finance company by means of an electronic payment;  
7 limiting the amount to be charged as an electronic payment fee; providing for  
8 the application of this Act; and generally relating to insurance premium  
9 financing.

10 BY repealing and reenacting, with amendments,  
11 Article - Insurance  
12 Section 23-301(b) and 23-303  
13 Annotated Code of Maryland  
14 (2002 Replacement Volume and 2003 Supplement)

15 BY adding to  
16 Article - Insurance  
17 Section 23-307.1  
18 Annotated Code of Maryland  
19 (2002 Replacement Volume and 2003 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
21 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Insurance**2 23-301.3 (b) A premium finance agreement shall contain:4 (1) the name and place of business of the insurance producer negotiating  
5 the related insurance contract;6 (2) the name and residence or place of business of the insured as  
7 specified by the insured;8 (3) the name and place of business of the premium finance company to  
9 which payments may be made;10 (4) a brief description of the insurance contracts involved and the  
11 amount of the premium; and12 (5) if applicable, the following items:13 (i) the total amount of the premiums;14 (ii) the amount of the down payment;15 (iii) the principal balance (the difference between items (i) and (ii) of  
16 this item);17 (iv) the amount of the finance charge;18 (v) the balance payable by the insured (the sum of items (iii) and  
19 (iv) of this item);20 (vi) the number of installments required, the amount of each  
21 installment expressed in dollars, and the due date or period of each installment;  
22 [and]23 (vii) an itemized list for each insurance contract or coverage  
24 financed under the premium finance agreement that includes:25 1. the applicable prefix and number;26 2. the effective date of the insurance contract or coverage;27 3. the name of the company issuing the insurance contract or  
28 coverage; and29 4. the premium for the insurance contract or coverage; AND30 (VIII) THE ELECTRONIC PAYMENT FEE.

1 23-303.

2 (a) The maximum charges stated in §§ 23-304 and 23-305 of this subtitle  
3 shall include all interest, fees, and charges incident to the premium finance  
4 agreement and the resulting extension of credit.

5 (b) Notwithstanding subsection (a) of this section, delinquency, collection,  
6 cancellation, [and] reinstatement, AND ELECTRONIC PAYMENT FEE charges may be  
7 made in accordance with the limitations of [ §§ 23-306 and 23-307 ] §§ 23-306, 23-307,  
8 AND 23-307.1 of this subtitle.

9 23-307.1.

10 (A) IN THIS SECTION, "ELECTRONIC PAYMENT" INCLUDES PAYMENT BY  
11 CREDIT CARD OR DEBIT CARD.

12 (B) A PREMIUM FINANCE AGREEMENT MAY REQUIRE THE INSURED TO PAY  
13 AN ELECTRONIC PAYMENT FEE IF THE INSURED ELECTS TO PAY A PREMIUM  
14 FINANCE COMPANY BY MEANS OF AN ELECTRONIC PAYMENT.

15 (C) A PREMIUM FINANCE COMPANY MAY CHARGE AN ELECTRONIC PAYMENT  
16 FEE, WHICH MAY NOT EXCEED \$8, FOR ACTUAL EXPENSES INCURRED BY THE  
17 PREMIUM FINANCE COMPANY FOR THE ELECTRONIC PAYMENT.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all  
19 premium finance agreements and contracts issued, delivered, or renewed on or after  
20 the effective date of this Act.

21 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
22 effect October 1, 2004.